



Gene Walborn
Director

Montana Department of Revenue



Steve Bullock
Governor

TO: Gene Walborn, Director
FROM: Eric Dale, Tax Policy and Research
DATE: September 24, 2019
RE: County-wide Growth in Class 4 'Non-Newly Taxable' Relative to Total Growth

Class 4 Property is divided into two general categories, residential and commercial.

The attached tables display two sets of growth rates for both residential and commercial growth. Each table contains annual growth rates for **total** countywide taxable value for both residential and commercial for TY 2017 through TY 2019. The tables also contain the estimated county growth rates for residential and commercial properties **if there had been no newly taxable** property in that year.

Newly taxable values are used specifically for purposes of calculating the statutory maximum mill calculations per 15-10-420, MCA. Therefore, the newly taxable values are not necessarily equivalent to new construction in a county, but they are related. Furthermore, by calculating what the annual Class 4 growth rates would have been if the newly taxable values were excluded, the resulting growth rate can be an approximation for the appreciation of Class 4 property. Viewed another way, the growth is the increase in value specifically due to reappraisal.

For example, total Class 4 residential value in Beaverhead county grew by 10.68 percent in TY 2019. However, if we exclude all the TY 2019 newly taxable value of Class 4 residential, then Beaverhead County's adjusted growth rate is equal to 7.75 percent. In other words, it is estimated that the reappraisal added 7.75 percent worth of value to the existing class 4 property in Beaverhead County.

As the table shows, most of the total growth in TY 2017 and TY 2019 is from reappraisal and property appreciation as these are the first years of the reappraisal cycles. Similarly, most of the total growth in TY 2018 is attributable to newly taxable values, as this is a non-reappraisal year. If newly taxable were exactly equal to new construction and if new construction and reappraisals were the only cause for changes in value, then we would expect the non-newly taxable values to be zero in TY 2018. Indeed, the state-wide non-newly taxable growth was relatively close to zero in TY 2018.

**County-wide Growth Rates of Class 4 Residential Property
TY 2017 through TY 2019**

County	Total Growth			Growth Excluding Newly Taxable Values		
	2017	2018	2019	2017	2018	2019
Beaverhead	3.09%	1.04%	10.68%	1.73%	-0.88%	7.75%
Big Horn	10.33%	1.56%	-0.12%	9.30%	-0.91%	-0.75%
Blaine	7.17%	0.02%	17.61%	5.38%	-0.64%	16.18%
Broadwater	16.50%	2.79%	15.46%	14.65%	-1.34%	7.71%
Carbon	10.57%	1.17%	6.21%	8.92%	-0.84%	4.70%
Carter	12.40%	5.35%	-5.21%	7.47%	-0.24%	-5.84%
Cascade	5.91%	1.14%	8.52%	4.93%	-0.64%	7.19%
Chouteau	6.60%	1.02%	18.82%	5.95%	-1.94%	15.70%
Custer	10.10%	-0.09%	2.31%	9.55%	-0.44%	2.10%
Daniels	1.49%	1.02%	-3.58%	0.04%	-0.94%	-4.38%
Dawson	6.66%	0.02%	-13.84%	5.88%	-1.07%	-14.18%
Deer Lodge	6.85%	0.06%	9.21%	6.01%	-0.93%	7.97%
Fallon	10.83%	0.98%	1.64%	9.24%	-0.39%	0.80%
Fergus	7.06%	2.76%	9.43%	5.87%	0.44%	7.80%
Flathead	10.83%	1.18%	11.08%	8.71%	-1.25%	8.81%
Gallatin	20.20%	3.21%	23.54%	16.56%	-0.59%	19.31%
Garfield	9.10%	2.25%	1.46%	6.41%	-0.22%	0.59%
Glacier	0.68%	-0.23%	5.86%	0.49%	-1.09%	5.40%
Golden Valley	12.55%	0.51%	1.25%	11.22%	-0.88%	-0.22%
Granite	3.47%	1.57%	13.00%	1.38%	-0.80%	9.33%
Hill	11.73%	0.21%	8.57%	9.81%	-0.91%	7.93%
Jefferson	11.70%	2.10%	11.03%	9.14%	-0.65%	8.04%
Judith Basin	10.07%	1.10%	13.52%	7.55%	-0.85%	12.70%
Lake	-0.09%	0.56%	7.05%	-1.00%	-1.07%	5.30%
Lewis And Clark	10.49%	1.94%	9.41%	9.04%	-0.62%	7.31%
Liberty	3.81%	1.95%	3.86%	1.48%	-0.52%	2.92%
Lincoln	10.70%	1.12%	6.77%	9.33%	-1.01%	5.04%
Madison	38.04%	3.04%	29.87%	29.58%	0.09%	19.02%
McCone	3.87%	1.48%	-7.43%	0.81%	0.68%	-8.07%
Meagher	15.23%	0.10%	10.74%	13.70%	-0.96%	9.98%
Mineral	1.95%	2.16%	8.50%	0.46%	-0.33%	7.15%
Missoula	7.86%	1.58%	12.16%	6.69%	-0.43%	9.90%
Musselshell	16.45%	0.00%	-0.41%	14.08%	5.31%	-2.63%
Park	11.62%	1.93%	19.67%	9.92%	-0.80%	16.98%
Petroleum	12.30%	0.59%	-0.64%	10.77%	-0.79%	-3.01%
Phillips	9.64%	0.47%	3.92%	7.42%	-1.02%	2.68%
Pondera	8.06%	1.38%	11.73%	5.70%	-0.26%	8.24%
Powder River	1.09%	1.99%	-0.57%	-0.53%	-0.05%	-0.78%
Powell	7.97%	0.96%	8.12%	6.29%	-1.10%	5.64%
Prairie	1.78%	0.58%	-8.16%	0.43%	-0.47%	-8.94%
Ravalli	6.71%	1.83%	12.58%	4.81%	-0.58%	9.95%
Richland	-2.93%	0.26%	-3.31%	-4.90%	-1.38%	-3.61%
Roosevelt	2.49%	-0.13%	-3.10%	1.70%	-0.50%	-3.57%
Rosebud	-0.65%	0.90%	-2.68%	-1.29%	-0.43%	-2.93%
Sanders	16.65%	0.85%	7.68%	15.05%	-1.68%	5.19%
Sheridan	2.95%	2.45%	-0.87%	0.37%	2.99%	-1.51%
Silver Bow	11.11%	0.67%	9.08%	10.42%	-1.34%	7.75%
Stillwater	8.77%	1.90%	11.70%	7.02%	-0.70%	10.07%
Sweet Grass	13.21%	1.31%	3.03%	10.98%	-0.48%	1.83%
Teton	10.03%	1.59%	11.96%	7.38%	-0.66%	10.68%
Toole	3.82%	4.12%	5.25%	2.96%	-0.36%	3.13%
Treasure	1.35%	3.62%	-2.89%	0.04%	-0.53%	-4.63%
Valley	6.89%	1.65%	8.96%	5.50%	-0.82%	7.50%
Wheatland	16.52%	-0.01%	0.52%	14.19%	-0.95%	0.08%
Wibaux	1.45%	0.82%	-8.49%	0.19%	-0.54%	-8.91%
Yellowstone	8.37%	1.78%	7.04%	6.62%	-0.32%	5.17%
Statewide	11.50%	1.77%	12.74%	9.28%	-0.64%	9.82%

**County-wide Growth Rates of Class 4 Commercial Property
TY 2017 through TY 2019**

County	Total Growth			Growth Excluding Newly Taxable Values		
	2017	2018	2019	2017	2018	2019
Beaverhead	8.12%	0.83%	8.35%	7.55%	-0.89%	6.30%
Big Horn	8.90%	2.14%	-2.28%	5.98%	-0.77%	-2.83%
Blaine	-5.64%	-1.05%	10.13%	-5.64%	-2.35%	9.10%
Broadwater	7.04%	4.52%	16.62%	3.17%	0.55%	13.46%
Carbon	5.84%	-2.16%	2.01%	5.95%	-6.02%	1.10%
Carter	9.29%	0.05%	-7.12%	4.96%	0.00%	-8.21%
Cascade	4.86%	0.97%	6.23%	1.69%	-1.76%	4.71%
Chouteau	12.59%	2.29%	18.92%	3.00%	1.25%	16.53%
Custer	5.64%	1.80%	-3.66%	4.66%	-1.44%	-3.68%
Daniels	4.07%	3.73%	-0.37%	-1.79%	-0.54%	-1.08%
Dawson	4.69%	7.63%	-0.28%	3.99%	-2.68%	-0.99%
Deer Lodge	9.40%	-0.66%	4.35%	8.56%	-2.83%	3.25%
Fallon	8.42%	5.34%	2.68%	6.77%	-0.22%	-1.74%
Fergus	7.49%	1.51%	4.70%	4.51%	-3.08%	2.84%
Flathead	9.05%	2.14%	8.96%	5.43%	-0.98%	6.08%
Gallatin	9.29%	3.17%	19.80%	5.64%	-0.94%	15.31%
Garfield	5.09%	1.73%	0.05%	4.24%	-0.12%	0.05%
Glacier	5.07%	-0.86%	2.49%	5.07%	-1.17%	2.57%
Golden Valley	0.19%	24.38%	2.48%	-2.12%	-0.95%	2.47%
Granite	0.26%	2.11%	9.24%	-0.37%	-0.08%	9.14%
Hill	0.41%	-0.82%	5.21%	0.18%	-1.85%	4.49%
Jefferson	6.45%	2.69%	4.55%	5.17%	-1.11%	2.74%
Judith Basin	-1.98%	13.14%	4.37%	-2.06%	1.13%	4.74%
Lake	10.83%	-1.61%	5.01%	7.70%	-3.01%	3.69%
Lewis And Clark	6.02%	3.16%	6.97%	2.08%	-1.03%	4.93%
Liberty	-2.15%	5.80%	-0.31%	-3.25%	-0.17%	-0.44%
Lincoln	13.10%	0.11%	-0.19%	11.75%	-0.51%	-0.27%
Madison	4.46%	4.45%	22.41%	3.13%	0.61%	12.27%
McCone	2.11%	3.00%	-4.53%	2.03%	-6.76%	-4.53%
Meagher	-9.73%	2.08%	25.19%	-10.27%	-0.53%	15.65%
Mineral	-0.27%	0.95%	6.38%	-2.02%	-0.82%	5.05%
Missoula	14.95%	-1.92%	17.86%	12.86%	-3.66%	14.94%
Musselshell	4.73%	7.60%	2.54%	4.68%	-29.01%	-1.65%
Park	5.56%	4.16%	24.46%	3.14%	-0.24%	18.54%
Petroleum	38.90%	1.35%	6.98%	38.10%	-1.87%	6.98%
Phillips	-7.40%	1.61%	-1.01%	-7.79%	-0.83%	-2.15%
Pondera	1.37%	0.46%	4.91%	0.68%	-0.75%	4.05%
Powder River	-2.14%	1.47%	4.59%	-2.22%	0.15%	4.49%
Powell	10.33%	2.47%	2.84%	7.68%	0.59%	1.08%
Prairie	-0.60%	6.07%	4.49%	-1.25%	2.41%	4.70%
Ravalli	3.80%	1.37%	7.56%	2.31%	-1.18%	5.97%
Richland	9.88%	-5.34%	-5.83%	1.82%	-6.16%	-6.04%
Roosevelt	14.35%	2.27%	-5.83%	8.38%	-0.24%	-6.29%
Rosebud	1.95%	-1.55%	-9.14%	1.92%	-1.72%	-8.97%
Sanders	19.25%	4.59%	7.87%	15.94%	-0.77%	3.17%
Sheridan	4.42%	10.52%	1.47%	2.84%	-12.18%	2.74%
Silver Bow	9.66%	0.41%	5.36%	7.25%	-0.25%	4.52%
Stillwater	6.83%	2.97%	2.22%	6.41%	0.62%	-0.34%
Sweet Grass	1.42%	0.81%	2.04%	1.14%	-0.23%	1.92%
Teton	-1.10%	-0.42%	4.26%	-1.82%	-2.39%	2.86%
Toole	-2.23%	0.43%	0.71%	-2.93%	0.07%	-0.38%
Treasure	1.71%	-1.07%	8.83%	1.71%	-1.07%	8.83%
Valley	4.38%	0.05%	6.54%	3.68%	-2.54%	3.45%
Wheatland	4.36%	4.67%	8.92%	3.42%	-0.04%	6.93%
Wibaux	-13.21%	0.38%	2.48%	-13.21%	-0.10%	2.48%
Yellowstone	2.91%	-0.95%	4.70%	1.23%	-2.85%	3.11%
Statewide	7.22%	0.82%	9.79%	4.64%	-2.00%	7.29%

